GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2578
ANSWERED ON:16.12.2008
PRODUCTION AND SALE OF MSME
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a): the production and sale of products produced by micro, small and medium enterprises (MSMEs) for domestic and export markets during the last three years;

(b): the details of the problems identified which hinder expansion and small and medium enterprises (SMEs) products attaining large share of sale in India and abroad;

(c): whether the Government proposes to take measures to promote the exports of SMEs products through better designing, labeling and branding of products for sale in international markets; and

(d): if so, the details thereof?

Answer

MINISTER OF MICRO,SMALL & MEDIUM ENTERPRISES(SHRI MAHABIR PRASAD)

(a): The estimated value of production and exports made by the micro and small enterprises (MSEs) for domestic and export market during 2004-05, 2005-06 and 2006-07 (latest available) are given in the table below.

Parameters/Year	2004-05	2005-06	2006-07
Production at current prices (Rs. Crore)	429796	497842	585112
Value of Exports made (Rs. Crore)	124417	150242	199822(P)

The information in respect of the sale of products produced by MSEs is not maintained centrally. Since the medium enterprises were defined for the first time under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, information in respect of production, sale and exports in the medium enterprises is not available.

(b): Some of the major problems faced by the MSMEs in their growth relate to lack of timely and adequate availability of credit, obsolete technology, infrastructure bottleneck, marketing constraints, etc.

(c) & (d): The programmes/schemes of the Ministry of MSME are meant for increasing the productivity and share of MSME sector in the total manufacturing output and exports and enhance their competitiveness.Among these, the following recent initiatives taken for the promotion and development of MSMEs are noteworthy;

(i) Policy Package for Stepping up Credit to Small and Medium Enterprises with the objective to double the credit flow to this sector in a period of five years;

(ii) Enactment of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to facilitate promotion and development of MSMEs and enhancement of their competitiveness;

(iii) According priority to the Cluster-based approach for holistic and integrated development of MSE sector;

(iv) Initiating the National Manufacturing Competitiveness Programme (NMCP) to address the technology, marketing and skill upgradation needs of the MSME sector;

(v) reimbursement of charges for acquiring ISO 9000/14001 (or its equivalent) certification to the extent of 75% of the cost, subject to maximum of Rs. 75,000/-

Under Marketing Development Assistance (MDA) scheme, direct financial assistance is provided to MSME units, which includes: -

(a) reimbursement to individual exporters to the extent of 90% of the cost of to-and-fro air fare for participation in international trade fairs/exhibitions;

(b) financial assistance of upto 25% of the cost of production of overseas publicity material, limited to Rs. 15,000/- in a financial year;

(c) financial assistance of upto Rs. 2 lakh for commissioning specific market studies and assistance to MSE associations for initiating/contesting anti-dumping cases,limited to 50% of total cost or Rs. 1 lakh, whichever is less; and

(d) reimbursement of 75% of one-time registration fee paid by MSE units for obtaining bar coding registration.